

## Return of Organization Exempt from Income Tax

110203

2002

Department of the Treasury  
Internal Revenue ServiceUnder section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code  
(except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public  
Inspection

A For the 2002 calendar year, or tax year beginning

2002, and ending

B Check if applicable:

- ☒ Address change  
☐ Name change  
☐ Initial return  
☐ Final return  
☐ Amended return  
☐ Application pending

Please use  
IRS label  
or print  
or type.  
See  
specific  
instruc-  
tions.RESERVE POLICE OFFICERS ASSOCIATION  
105 FULLERTON AVENUE  
YONKERS, NY 10704

D Employer identification number

51-0371265

E Telephone number

110203

F Accounting method:

☐ Cash ☒ Accrual☐ Other (specify)Section 501(c)(3) organizations and 4947(a)(1) nonexempt  
charitable trusts must attach a completed Schedule A  
(Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.

H (a) Is this a group return for affiliates? ☐ Yes ☒ No

H (b) If 'Yes,' enter number of affiliates

H (c) Are all affiliates included? ☐ Yes ☐ No

(If 'No,' attach a list. See instructions.)

H (d) Is this a separate return filed by an

organization covered by a group ruling? ☐ Yes ☒ No

I Enter 4-digit GEN

M Check ☒ if the organization is not required  
to attach Schedule B (Form 990, 990-EZ, or 990-PF).

G Web site: N/A

J Organization type

(check only one) ☒ 501(c) 6 (insert no.) ☐ 4947(a)(1) or ☐ 527K Check here ☐ if the organization's gross receipts are normally not more than  
\$25,000. The organization need not file a return with the IRS; but if the organization  
received a Form 990 Package in the mail, it should file a return without financial data.  
Some states require a complete return.

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 1,324,886.

## Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Instructions)

1 Contributions, gifts, grants, and similar amounts received:			
a Direct public support	1a	1,324,886.	
b Indirect public support	1b		
c Government contributions (grants)	1c		
d Total (add lines 1a through 1c) (cash \$ 1,324,886. noncash \$ )	1d		1,324,886.
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		
3 Membership dues and assessments	3		
4 Interest on savings and temporary cash investments	4		
5 Dividends and interest from securities	5		
6a Gross rents	6a		
b Less: rental expenses	6b		
c Net rental income or (loss) (subtract line 6b from line 6a)	6c		
7 Other investment income (describe )	7		
8a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other	
b Less: cost or other basis and sales expenses	8a		
c Gain or (loss) (attach schedule)	8b		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8c		
9 Special events and activities (attach schedule)			
a Gross revenue (not including \$ of contributions reported on line 1a)	9a		
b Less: direct expenses other than fundraising expenses	9b		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
10a Gross sales of inventory, less returns and allowances	10a		
b Less: cost of goods sold	10b		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		
11 Other revenue (from Part VII, line 103)	11		
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,324,886.
13 Program services (from line 44, column (B))	13		72,658.
14 Management and general (from line 44, column (C))	14		48,787.
15 Fundraising (from line 44, column (D))	15		1,208,990.
16 Payments to affiliates (attach schedule)	16		
17 Total expenses (add lines 16 and 44, column (A))	17		1,330,435.
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		-5,549.
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		62,850.
20 Other changes in net assets or fund balances (attach explanation)	20		
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		57,301.

BAA For Paperwork Reduction Act Notice see the separate instructions.

TEEA0107L 09/04/02

Form 990 (2002)

**Part I Statement of Functional Expenses** All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (att sch) (cash \$ _____ non-cash \$ _____)	22				
23 Specific assistance to individuals (att sch)	23				
24 Benefits paid to or for members (att sch)	24				
25 Compensation of officers, directors, etc.	25	56,500.	28,250.	28,250.	
26 Other salaries and wages	26				
27 Pension plan contributions	27				
28 Other employee benefits	28				
29 Payroll taxes	29	4,520.	2,260.	2,260.	
30 Professional fundraising fees	30	1,208,990.			1,208,990.
31 Accounting fees	31	3,693.		3,693.	
32 Legal fees	32	565.		565.	
33 Supplies	33	1,816.		1,816.	
34 Telephone	34	2,061.		2,061.	
35 Postage and shipping	35	555.	555.		
36 Occupancy	36	4,750.		4,750.	
37 Equipment rental and maintenance	37	10.		10.	
38 Printing and publications	38				
39 Travel	39	8,223.	8,223.		
40 Conferences, conventions, and meetings	40				
41 Interest	41				
42 Depreciation, depletion, etc (attach schedule)	42	2,901.		2,901.	
43 Other expenses not covered above (itemize):					
a SEE STATEMENT 1	43a	35,851.	33,370.	2,481.	
b	43b				
c	43c				
d	43d				
e	43e				
44 Total functional expenses (add lines 22 - 43). Organizations completing columns (B) - (D), carry these totals to lines 13 - 15	44	1,330,435.	72,658.	48,787.	1,208,990.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ No

If 'Yes,' enter (i) the aggregate amount of these joint costs \$ \_\_\_\_\_; (ii) the amount allocated to program services \$ \_\_\_\_\_; (iii) the amount allocated to management and general \$ \_\_\_\_\_; and (iv) the amount allocated to fundraising \$ \_\_\_\_\_

**Part II Statement of Program Service Accomplishments**What is the organization's primary exempt purpose? SEE STATEMENT 2

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) &amp; (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants &amp; allocations to others.)

Program Service Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; but optional for others.)

## a PROVIDE ASSISTANCE TO LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES.

(Grants and allocations \$ \_\_\_\_\_)

72,658.

(Grants and allocations \$ \_\_\_\_\_)

(Grants and allocations \$ \_\_\_\_\_)

(Grants and allocations \$ \_\_\_\_\_)

(Grants and allocations \$ \_\_\_\_\_)

e Other program services (Grants and allocations \$ \_\_\_\_\_)

f Total of Program Service Expenses (should equal line 44, column (B), program services) 72,658.

**Part IV Balance Sheets** (See instructions)

**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
<b>ASSETS</b>	45 Cash — non-interest-bearing.....		45	
	46 Savings and temporary cash investments.....	43,919.	46	53,832.
	47 a Accounts receivable.....	47 a		
	b Less: allowance for doubtful accounts.....	47 b	47 c	
	48 a Pledges receivable.....	48 a		
	b Less: allowance for doubtful accounts.....	48 b	48 c	
	49 Grants receivable.....		49	
	50 Receivables from officers, directors, trustees, and key employees (attach schedule).....		50	
	51 a Other notes & loans receivable (attach sch).....	51 a		
	b Less: allowance for doubtful accounts.....	51 b	51 c	
	52 Inventories for sale or use.....		52	
	53 Prepaid expenses and deferred charges.....		53	
	54 Investments — securities (attach schedule).....	<input type="checkbox"/> Cost <input type="checkbox"/> FMV	54	
	55 a Investments — land, buildings, & equipment: basis.....	55 a		
	b Less: accumulated depreciation (attach schedule).....	55 b	55 c	
	56 Investments — other (attach schedule).....		56	
	57 a Land, buildings, and equipment: basis.....	57 a	24,985.	
	b Less: accumulated depreciation (attach schedule).....	57 b	8,634.	
58 Other assets (describe ▶ <b>STATEMENT 3</b> ).....		19,252.	57 c	16,351.
59 <b>Total assets</b> (add lines 45 through 58) (must equal line 74).....		63,171.	59	70,183.
<b>LIABILITIES</b>	60 Accounts payable and accrued expenses.....	321.	60	12,882.
	61 Grants payable.....		61	
	62 Deferred revenue.....		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule).....		63	
	64 a Tax-exempt bond liabilities (attach schedule).....		64 a	
	b Mortgages and other notes payable (attach schedule).....		64 b	
	65 Other liabilities (describe ▶).....		65	
	66 <b>Total liabilities</b> (add lines 60 through 65).....	321.	66	12,882.
<b>NET ASSETS OR FUND BALANCES</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted.....	62,850.	67	57,301.
	68 Temporarily restricted.....		68	
	69 Permanently restricted.....		69	
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds.....		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund.....		71	
	72 Retained earnings, endowment, accumulated income, or other funds.....		72	
73 <b>Total net assets or fund balances</b> (add lines 67 through 69 or lines 70 through 72; column (A) must equal line 19; column (B) must equal line 21).....	62,850.	73	57,301.	
74 <b>Total liabilities and net assets/fund balances</b> (add lines 66 and 73).....	63,171.	74	70,183.	

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

BAA

**Part IV A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return** (See instructions.)

<b>a</b>	Total revenue, gains, and other support per audited financial statements .....	<b>a</b>	1,324,886.
<b>b</b>	Amounts included on line <b>a</b> but not on line 12, Form 990:		
(1)	Net unrealized gains on investments .....		
(2)	Donated services and use of facilities .....		
(3)	Recoveries of prior year grants .....		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4) .....	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b> .....	<b>c</b>	1,324,886.
<b>d</b>	Amounts included on line 12, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 .....		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) ..	<b>d</b>	
<b>e</b>	Total revenue per line 12, Form 990 (line <b>c</b> plus line <b>d</b> ) .....	<b>e</b>	1,324,886.

**Part IV B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return**

<b>a</b>	Total expenses and losses per audited financial statements .....	<b>a</b>	1,330,435.
<b>b</b>	Amounts included on line <b>a</b> but not on line 17, Form 990:		
(1)	Donated services and use of facilities .....		
(2)	Prior year adjustments reported on line 20, Form 990 .....		
(3)	Losses reported on line 20, Form 990 .....		
(4)	Other (specify):		
	----- \$		
	Add amounts on lines (1) through (4) .....	<b>b</b>	
<b>c</b>	Line <b>a</b> minus line <b>b</b> .....	<b>c</b>	1,330,435.
<b>d</b>	Amounts included on line 17, Form 990 but not on line <b>a</b> :		
(1)	Investment expenses not included on line 6b, Form 990 .....		
(2)	Other (specify):		
	----- \$		
	Add amounts on lines (1) and (2) ..	<b>d</b>	
<b>e</b>	Total expenses per line 17, Form 990 (line <b>c</b> plus line <b>d</b> ) .....	<b>e</b>	1,330,435.

**Part V List of Officers, Directors, Trustees, and Key Employees** (List each one even if not compensated; see instructions.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans and deferred compensation	(E) Expense account and other allowances
ERICK HOFFMAN 1664 LONG RUN ROAD SCHUYLKILL HAVEN, PA 17972	PRES/ASST TREAS 30	56,500.	0.	0.
BROOKE WEBSTER 105 FULLERTON AVENUE YONKERS, NY 10704	SECTY/TREAS PART	0.	0.	0.

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? .....

☐ Yes

☒ No

If 'Yes,' attach schedule — see instructions.

**Part V Other Information** (See instructions.)

	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If 'Yes,' attach a detailed description of each activity.		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If 'Yes,' attach a conformed copy of the changes.		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If 'Yes,' attach a statement.		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?		X
b If 'Yes,' enter the name of the organization <u>N/A</u> and check whether it is <input type="checkbox"/> exempt or <input type="checkbox"/> nonexempt.		
81a Enter direct or indirect political expenditures. See line 81 instructions.	81a	0.
b Did the organization file Form 1120-POL for this year?	81b	X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b If 'Yes,' you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.)	82b	N/A
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	X
b Did the organization make only in-house lobbying expenditures of \$2,000 or less?	85b	X
If 'Yes' was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
c Dues, assessments, and similar amounts from members.	85c	0.
d Section 162(e) lobbying and political expenditures.	85d	0.
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices.	85e	0.
f Taxable amount of lobbying and political expenditures (line 85d less 85e).	85f	0.
g Does the organization elect to pay the section 6033(e) tax on the amount on line 85f?	85g	N/A
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A
86 501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12.	86a	N/A
b Gross receipts, included on line 12, for public use of club facilities.	86b	N/A
87 501(c)(12) organizations. Enter: a Gross income from members or shareholders.	87a	N/A
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Part IX.	88	X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>N/A</u> ; section 4912 <u>N/A</u> ; section 4955 <u>N/A</u>		
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If 'Yes,' attach a statement explaining each transaction.	89b	N/A
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		N/A
d Enter: Amount of tax on line 89c, above, reimbursed by the organization.		N/A
90a List the states with which a copy of this return is filed <u>DELAWARE</u>		
b Number of employees employed in the pay period that includes March 12, 2002 (See instructions.)	90b	1
91 The books are in care of <u>BROOKE WEBSTER</u> Telephone number <u></u> Located at <u>105 FULLERTON AVE, YONKERS, NY</u> ZIP + 4 <u>10704</u>		
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here. <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year. <u>92</u>		N/A

BAA

TEEA0105L 01/22/03

Form 990 (2002)

**Part VII Analysis of Income-Producing Activities** (See instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a					
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees & contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings & temporary cash invmnts.					
96 Dividends & interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from pers prop					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue: a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))					
105 Total (add line 104, columns (B), (D), and (E))					0.

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

**Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes** (See instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
N/A	

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities** (See instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts** (See instructions.)

- a Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No
- b Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If 'Yes' to (b), file Form 8870 and Form 4720 (see instructions).

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	Signature of officer <i>m. letts</i>	Date 5-30-03
Paid Preparer's Use Only	Preparer's signature <i>Norman R. Letts CPA</i>	
	Date 5-16-03	
	Check if self-employed <input type="checkbox"/>	
	Preparer's SSN or PTIN (see General instruction W) P00199094	
	Firm's name (or yours if self-employed) PATTON & LETTICH, CPA'S	EIN 23-2541014
	Address, and ZIP + 4 2500 WEST END AVE. STE. #10 POTTSVILLE, PA 17901	Phone no. (570) 622-8761

2002

## FEDERAL STATEMENTS

PAGE 1

CLIENT 1859

RESERVE POLICE OFFICERS ASSOCIATION

51-0371265

5/16/03

12:55PM

STATEMENT 1  
FORM 990, PART II, LINE 43  
OTHER EXPENSES

	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT & GENERAL	(D) FUNDRAISING
CORPORATE FEES	136.		136.	
DUES & SUBSCRIPTIONS	391.		391.	
INSURANCE	1,528.		1,528.	
MISCELLANEOUS	326.		326.	
PROGRAM EXPENSES	33,370.	33,370.		
SUBCONTRACTING	100.		100.	
TOTAL	\$ 35,851.	\$ 33,370.	\$ 2,481.	\$ 0.

STATEMENT 2  
FORM 990, PART III  
ORGANIZATION'S PRIMARY EXEMPT PURPOSE

PROVIDE ASSISTANCE TO LAW ENFORCEMENT OFFICERS AND THEIR FAMILIES

STATEMENT 3  
FORM 990, PART IV, LINE 57  
LAND, BUILDINGS, AND EQUIPMENT

CATEGORY	BASIS	ACCUM. DEPREC.	BOOK VALUE
MACHINERY AND EQUIPMENT	\$ 4,985.	\$ 3,634.	\$ 1,351.
MISCELLANEOUS	20,000.	5,000.	15,000.
TOTAL	\$ 24,985.	\$ 8,634.	\$ 16,351.

**RESERVE POLICE OFFICERS ASSOCIATION  
FINANCIAL STATEMENTS  
AND  
AUDITOR'S REPORT  
DECEMBER 31, 2002**

RECEIVED  
JAN 10 2003  
CLERK OF SUPERIOR COURT  
SAN FRANCISCO, CALIF.



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# PATTON AND LETTICH

CERTIFIED PUBLIC ACCOUNTANTS

2500 WEST END AVENUE, SUITE 10

POTTSVILLE, PA 17901

(570) 622-8761

ROBERT B. PATTON, CPA  
NORMAN R. LETTICH, CPA

ALBERT D. MARAZAS, CPA  
BETH A. PAULEY, CPA

MEMBERS:

AMERICAN INSTITUTE OF CPA'S

PENNSYLVANIA INSTITUTE OF CPA'S

## INDEPENDENT AUDITOR'S REPORT

May 14, 2003

Board of Directors  
Reserve Police Officers Association  
105 Fullerton Avenue  
Yonkers, NY 10704

We have audited the accompanying statement of financial position of the Reserve Police Officers Association (a nonprofit organization) as of December 31, 2002, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Reserve Police Officers Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Reserve Police Officers Association as of December 31, 2002, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Patton and Lettich*

Patton and Lettich  
Certified Public Accountants

**RESERVE POLICE OFFICERS ASSOCIATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2002**

**ASSETS**

Cash and Cash Equivalents	\$ 53,832
Fixed Assets, Net of Depreciation	<u>16,351</u>
 TOTAL ASSETS	 <u>\$ 70,183</u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable	\$ 12,882
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**NET ASSETS**

Unrestricted	<u>57,301</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 70,183</u>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL**  
**PART OF THESE STATEMENTS**

**RESERVE POLICE OFFICERS ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**UNRESTRICTED NET ASSETS**

Support, Revenue, and Gains:	
Contributions	<u>\$ 1,324,886</u>
 TOTAL SUPPORT, REVENUE, AND GAINS	 1,324,886
 Expenses:	
Fundraising Fees	1,208,990
Payroll	56,500
Payroll Taxes	4,520
Subcontracting	100
Professional Fees	4,258
Telephone	2,061
Office Expense	7,131
Program Expenses	33,370
Corporate Fees	136
Travel and Entertainment	8,223
Dues and Subscriptions	391
Insurance	1,528
Miscellaneous	326
Depreciation	<u>2,901</u>
 TOTAL EXPENSES	 <u>1,330,435</u>
 DECREASE IN UNRESTRICTED ASSETS	 <u>(5,549)</u>
 <b><u>DECREASE IN NET ASSETS</u></b>	 <b>(5,549)</b>
 <b><u>NET ASSETS - JANUARY 1, 2002</u></b>	 <b><u>62,850</u></b>
 <b><u>NET ASSETS - DECEMBER 31, 2002</u></b>	 <b><u>\$ 57,301</u></b>

**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
PART OF THESE STATEMENTS**

**RESERVE POLICE OFFICERS ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Decrease in Net Assets	\$ (5,549)
Adjustments for Differences Between Income Flows and Cash Flows from Operating Activities:	
Depreciation	2,901
Increase in Accounts Payable	<u>12,561</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>9,913</u>
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<b><u>NET INCREASE IN CASH</u></b>	9,913
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<b><u>CASH - JANUARY 1, 2002</u></b>	<u>43,919</u>
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<b><u>CASH - DECEMBER 31, 2002</u></b>	<u>\$ 53,832</u>
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**THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL  
PART OF THESE STATEMENTS**

**RESERVE POLICE OFFICERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**ORGANIZATION**

Reserve Peace Officers of America, Inc. (the Organization) was incorporated on January 12, 1996. It is a nonprofit organization that promotes public awareness of auxiliary and reserve law enforcement officers and provides assistance to law enforcement officers and their families. The Organization changed its name to Reserve Police Officers Association in 1998.

**BASIS OF ACCOUNTING**

The books of the Organization are maintained on the accrual basis of accounting. Using this method, revenues are recognized when earned and expenses are recognized when incurred.

**DEPRECIATION**

All assets are valued at cost and are being depreciated over their estimated useful lives using primarily the straight-line method.

**RECOGNITION OF DONOR RESTRICTIONS**

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**FINANCIAL STATEMENT PRESENTATION**

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. At present, the Organization has no temporarily or permanently restricted net assets.

**RESERVE POLICE OFFICERS ASSOCIATION  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**REVENUE RECOGNITION**

Substantially all revenue earned by the Organization through December 31, 2002 has been from contributions from the general public. The Organization has contracts with United Publishing (UP) and Professional Fund-Raisers Inc. (PFR) that allows UP and PFR to solicit contributions (sponsorships) on the Organization's behalf and in return requires UP and PFR to communicate public service messages and to publish a professional periodical for the Organization. These agreements entitle the Organization to receive 10-15% of contributions as revenue solicited by UP and PFR on the Organization's behalf. The Organization records contributions as revenue at the gross amount received by UP and PFR and records the related fundraising expenses at 85-90% of the gross revenue received by UP and PFR.

**CONTRIBUTIONS**

The Organization has elected to adopt SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**INCOME TAXES**

The Organization is nonprofit and exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Therefore, no provision is made for income taxes in the financial statements.

**CASH AND CASH EQUIVALENTS**

For the purpose of these financial statements (including the statement of cash flows), cash and cash equivalents are defined as unrestricted demand and savings deposits in banks.

**ECONOMIC DEPENDENCY**

The Organization receives a substantial amount of its support from contributions. A significant reduction in the level of this support may have an effect on the Organization's activities.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**RESERVE POLICE OFFICERS ASSOCIATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2002**

**NOTE 2 – EQUIPMENT**

Equipment at December 31, 2002, consists of the following:

Magazine	\$ 20,000
Equipment	4,985
Accumulated Depreciation	<u>(8,634)</u>
	<u>\$ 16,351</u>